

Regular/Public

December 6, 2010

President Baker called the regular meeting to order. Pastor Ray Pfahler offered the prayer. The Pledge was recited by all.

Roll call: Shupp, Miller, Vance, Hamsher, Aspiras, Corfman, and Leathers were present.

Hamsher moved and Miller seconded that the minutes of the November 15, 2010 regular meeting be approved. Roll call vote. Ayes all except Vance abstained. Motion carried.

Public Comment: None.

Standing Committee Reports:

A. Finance – Mr. Miller reported tonight we will have the second of three readings on the Temporary Appropriations and we also have a couple other financial items on the agenda which Ms. Strimlan will cover.

B. Utilities – Mr. Vance had no report.

C. Health & Safety – Mr. Corfman reported Bruce Ubelhart has been announced as Firefighter of the Year of the Orrville Fire Department.

D. Parks and Recreation – Mr. Aspiras had no report.

E. Transportation – Mr. Shupp had no report.

F. Planning – Mr. Hamsher had no report.

G. Ordinance & Personnel – Ms. Leathers requested that Council go into Executive Session at this time to further discuss some points regarding Resolution 27-10. Leathers moved and Hamsher seconded. Roll call vote. Ayes all. Motion carried.

Into Executive Session at 7:34 p.m.

Leathers moved and Aspiras seconded to return to regular session. Roll call vote. Ayes all. Motion carried.

Executive Session ended; Regular Session resumed at 8:02 p.m.

Special Committee Reports: None.

Administrative Reports:

A. Mayor - Mayor Handwerk reported that prior to the next Council meeting on December 20th at 6:30 p.m. we will have the Annual State of the City Address. I would seek a motion from Council to appoint two members to the Firemen's Dependency Fund Board. Those members would be Roy Wade and Edward Hershey. Corfman moved and Miller seconded that Mr. Wade and Mr. Hershey be appointed as requested. Roll call vote. Ayes all. Motion carried. Also, our December Employee of the Month is Dave Nussbaum from our Finance Department. Dave will celebrate 21 years with the City in August 2011 and Dave has held positions of increasing responsibility starting out as an Account Clerk I moving to an Account Clerk III and currently holding the position of Income Tax Administrator. Dave has an Associates Degree in Accounting from the Wooster Business College and his biggest challenge as Income Tax Administrator has been the implementation of universal income tax filing throughout the city. This has more than doubled the number of returns that the tax office processes. In 1996 the tax office processed 1611 tax returns which generated \$2.7 million in revenue. In 2010 that number has increased to 3927 tax returns generating over \$4 million in

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revenue. In addition to processing the returns, Dave does an excellent job of assisting taxpayers and tax preparers in completing their returns and answering questions regarding the city income tax ordinance. He is always eager to accept additional responsibility and fills in whenever needed to ensure the City Finance Department runs efficiently and effectively. He and I will be eating lunch at Barnstone in the next week or so.

B. Safety Service Director- Director Wheeler was absent. Kristen Endlsey was present and advised there was no report.

C. Utilities Director – Director Brediger reported at last weeks Public Utility Board meeting the Board did recommend and approve keeping our power cost adjustment factor for the third quarter of this year fixed at its current rate. We will also be looking at the forth quarter, but we are considering also fixing that rate also at the same time to avoid some transition into the first quarter of 2011 fuel cost adjustment factor mainly due to the large increase we will be seeing next year in coal costs. It is the Board's desire that any savings that would be realized in the third and forth quarter of this year those will be credited also in 2011 to help reduce that shock. With respect to an upcoming APP legislative rally, we currently have four people planning on attending our meeting with our federal legislators in Washington DC February 28th through March 3rd. Accompanying me will be the Mayor, Ms. Strimlan, and Mr. Vance. Due to the low bid of the turnover and our federal legislators both on the federal level and state level this will be a pretty important year for us to further educate those folks on some concerns that we do have. I did read to the Board last week a couple of excerpts from a Wall Street Journal article dated November 22nd and I believe I passed this article out to council members, but I wanted to highlight a couple of statements that were made in that letter. This article was in relationship to the onslaught of regulations flying out of Washington mainly from the EPA and how their impacting not only our customers, but a lot of consumers in the United States. I just wanted to point out a couple highlights from there. In this report they state that since Mr. Obama took office the agency has proposed or finalized 29 major regulations and 173 major policy rules. This surge is already out-paced the Clinton administration's entire first term when the EPA handed out broad new powers when the clean air act was last amended in 1990. No administration has ever updated more to these rules in a single term. Each one of these rules is intended to run through a 15 year cycle. Not only has that number have more than quadrupled, we seen that cycle period greatly reduced. In closing in this article they indicate that either way the cost will be passed on through businesses and consumers as higher rates which is the same as a tax increase. The general consensus is that as much of a third of the United States coal fleet will be retired by 2016. That is a huge amount. The cost of this they are saying is a little bit in excess of \$100 billion. Ms. Jackson, the current EPA Administrator, still defends these as common sense efforts. To give you an idea of where our industry has come over the past almost 30 years, SO2 levels have fallen over 56% between 1980 and 2008 despite a 70% increase in the amount of fossil fuel electricity that has been generated over the same period. With the current level so low the EPA's own analysis estimate that these new regulations will only yield \$12 million in benefits yet cost us over \$100 billion. We struggle a little bit with that economic. One good news point about this is that at least 56 of our senators and next year's congress have gone on record supporting bills that would freeze the EPA's activities, but that still has not stopped them at this present time. That is going to be one of the key tasks for our United States congress people as they start a new session here shortly. The last item is that I will have a few brief comments concerning Resolution 36-10 under new business.

D. Finance Director – Director Strimlan had no formal report, but there are several resolution I will talk about when they come up on the agenda.

E. Law Director - Director Lutz had no report.

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F. President of Council – President Baker

Peppard: We received an application that Revco is renewing their liquor license.

Leathers: That is CVS, correct?

Peppard: Yes. CVS at 415 North Main Street.

Baker: Two weekends ago we had our Home for the Holidays and if any of you were not able to make it downtown on that Friday evening, you missed a lot of fun. A lot of us were at the football game and unfortunately that didn't quite go our way, but right now we have some nice brisk freezing weather that will help us get along with whatever we have. So make sure you are careful when driving. Icy roads will be out there and I am sure our city crews will be helping keep the streets clear.

Old Business:

RESOLUTION 27-10

Leathers moved and Corfman seconded that Resolution 27-10, a resolution to establish pay grades for the various positions in the Classified and Unclassified Services of the City of Orrville, Ohio, and repealing all legislation inconsistent herewith, be placed on third reading.

Aspiras: I would just like to say a few things before we vote. In regards to this specific piece of legislation, over the past five weeks I have attended two committee meetings, three council meetings including tonight, an executive session, and reviewed a lot of information. Since this position was created in 2000 it has changed titles and added responsibilities. The position has also lost some responsibilities from transferring duties to other personnel and efficiencies mainly due to technologies. This position has also received increases along the way amounting to 67.6% higher than the original starting pay back in 2000. This position salary is currently 5.6% below its cap and is contracted to continue receiving annual increases. This position has no direct reports and the proposed legislation would set the pay grade above both Orrville's Police Chief and Fire Chief. I highly respect the individual in this position, the current administration, and the positive impact brought to Orrville from the help of this position; however, I cannot support this legislation and I believe my vote of no represents a large majority of our Orrville citizens.

Leathers moved and Corfman seconded that Resolution 27-10 be adopted as read. Roll call vote. Ayes from Vance, Hamsher, Corfman, and Leathers. Nays from Shupp, Miller, and Aspiras. Motion carried by a 4 to 3 margin.

Corfman: Do I have a certain period of time to reconsider my vote.

Vance: Yes you do. You may call for a reconsideration.

Corfman: I call for a reconsideration.

Vance: If you were on the winning side.

Corfman: I am. I thought it was being presented to read. My mistake.

Corfman moved and Aspiras seconded for a reconsideration of the vote.

Vance: I would like to hear the reason why there is debate on the motion.

Corfman: I misspoke.

Roll call vote. Ayes from Shupp, Miller, Vance, Aspiras, and Corfman. Nays from Hamsher and Leathers. Motion carried.

Leathers moved and Hamsher seconded that Resolution 27-10 be adopted as read. Roll call vote.

Ayes from Leathers, Vance, and Hamsher. Nays from Shupp, Miller, Aspiras, and Corfman. Motion failed.

RESOLUTION 35-10

Leathers moved and Miller seconded that Resolution 35-10, a resolution to make appropriations for current expenses and other expenditures of the City of Orrville, State of Ohio, during the fiscal year ending December 31, 2011, and declaring an emergency, be placed on second reading. Roll call vote. Ayes all. Motion carried.

Strimlan: We talked about this at our last meeting. The temporary appropriations are identical to the budget that we reviewed line by line in June. The resolution for temporary appropriations must be

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passed by January in order for us to expend funds for the first three months of 2011. We will approve final appropriations in March which we will go over again in great detail at the first of the year. This will go three readings.

New Business:

RESOLUTION 36-10

Leathers moved and Aspiras seconded that Resolution 36-10, a resolution authorizing the Public Utilities Board of Control to enter into a contract and/or contracts, without bidding, for ash disposal for the power plant for a one year period, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Brediger: Just a couple comments to add to the memo that went out to the utilities committee. This resolution does extend our current ash disposal agreement with Kimball Sanitary Landfill for one additional year. The past two years that disposal rate has been fixed at \$9 a ton. This proposal is for roughly about a 5% increase bringing that to \$9.50 a ton. We did receive one other proposal that was at \$12 a ton. There may be a couple other disposal entities out there; however, they are reluctant to provide pricing to us mainly because the EPA is looking at new regulations for next year that could impede their ability not only to take the ash, but could bring cost that could exceed over \$100 a ton. If that were the case and the legislation goes through the way it is currently proposed, we would have one landfill in the State of Ohio and that is located up in the Toledo area. As you can expect we are working a lot with our state environmental folks as well as a lot of other industries out there that rely on this ash material to be handled responsibly. A lot of this material is used in a lot of products that we use on a daily basis from paint fillers to aggregate substitutes for building materials in the construction industry to snow and ice control that the counties in the township use. With the agency giving some consideration that this material be reclassified would cause some pretty difficult economic harm on us. This contract has a value of roughly \$180,000. We will dispose of anywhere of 18 to 19 thousand tons of ash over the course of the year. There is one other disposal company that we are looking at, other than the one that offered at \$12, is in the neighborhood of a new mine that our current coal supplier is looking at opening up and there may be some logistics energy there that may provide us with some other pricing options. I don't expect it to be any less than what it has been over the past couple years. I would ask if there weren't any concerns with this if we could pass it this year. Our current agreement does expire at the end of this month.

Leathers moved and Vance that the rules, regulations, and statutes requiring a reading of a resolution on three separate days be suspended. Roll call vote. Ayes all. Motion carried.

Leathers moved and Corfman seconded that Resolution 36-10 be adopted as read. Roll call vote. Ayes all. Motion carried.

RESOLUTION 37-10

Leathers moved and Miller seconded that Resolution 37-10, a resolution designating public depositories and awarding public monies, and declaring an emergency, be placed on first reading.

Strimlan: This legislation is to establish depository agreements for active and enter money and also banking services for a five year period beginning January 1st. The last time this legislation was before council was December of 2005. We advertised and distributed RFPs to four local financial institutions. Three of the four were interested in providing banking services to the city and the utilities. As I told you in my memo, the proposals are quite extensive. They cover a review of our existing banking account structures. The banks are asked to provide recommendations for improvements or changes that could be made to improve our operating efficiencies; reduce our cost; or to improve our earnings. They also cover interest rate structures on our checking accounts; our overnight repurchase agreements; and our sweep accounts. They also quote for services. In total they quoted 48 items for us. They provide banking references. They also provide audited comprehensive financial statements. They provide bank rating information. They also provide statements that they are qualified to provide banking services in the State of Ohio and that they are

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fully compliant with the Uniform Depository Act. After evaluating all the proposals which are quite lengthy, it really came down to the aggregate banking services costs per item; equipment costs and really the electronic capability for the daily and monthly information monitoring. Given that there is really not a significant consequential value in changing depositories at this time. So the Finance Committee is recommending that we remain with our current depository for the next five years. There is again a large volume of paperwork associated with the RFPs, but I would be more than happy to go over it with you in detail if you would like, either over the phone or if you want to come into my office we can review the boxes and notebooks associated with that. Just give me a call and we can do that. I would prefer that this legislation go two readings so that any of the applicants could feel free to call me or come in with any concerns they may have.

Hamsher: For those who are financially illiterate as myself, can you briefly explain the difference between active deposits and interim deposits.

Strimlan: Active deposits would be very similar to your checking account and interim deposit is your investment accounts.

RESOLUTION 38-10

Leathers moved and Miller seconded that Resolution 38-10, a resolution to make appropriations for current expenses and other expenditures of the City of Orrville, State of Ohio, during the fiscal year ending December 31, 2010, and declaring an emergency, be placed on first reading. Roll call vote. Ayes all. Motion carried.

Strimlan: This is to modify our guaranteed deposit trust fund for the Utilities. The only item we are changing on the appropriations is the line item for the trust fund. This is the account that takes in the deposits that customers make when they are required to do so for the utilities. We made a change last year that if three years of on-time payments are made we will refund the deposit back and this is just to true up the account for the deposits that are being made out of there. This does not need to be passed this evening, but I would like it to pass by the end of the year.

Leathers moved and Corfman that the rules, regulations, and statutes requiring a reading of a resolution on three separate days be suspended. Roll call vote. Ayes all. Motion carried.

Leathers moved and Vance seconded that Resolution 38-10 be adopted as read. Roll call vote. Ayes all. Motion carried.

Good of the Order:

Miller: I would just like to mention that Orrville Community Theater will be presenting their Christmas production called "Santa's Family Secret." It will be this Friday and Saturday, December 10th and 11th, at 7pm and Sunday matinee at 2:30pm. Tickets are \$8 or \$6 for students. You can get them at the door. It is a really good, funny play. It was locally written. So thank you once again for supporting live theater in Orrville.

Vance: I wasn't here at the last meeting and I don't know if everyone gave their round of congratulations or not, but I wanted to just say a personal note congratulating the Orrville Boys High School Football Team for bringing home the regional championship and I just wanted to say that because one of my boys is a senior and I just want to thank Coach Duvault and his staff for the work they have done and how much that means to me and my family and my boys and to this community. So congratulations to all of you.

Leathers moved and Aspiras seconded that the council meeting be adjourned. Ayes all. Motion carried. Council was adjourned at 8:30 p.m.

Tamra Peppard, Clerk of Council

Date

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Lyle Baker, President of Council